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17 LAURI VALJAKKA

18 **UNITED STATES DISTRICT COURT**  
19 **NORTHERN DISTRICT OF CALIFORNIA**  
20 **OAKLAND DIVISION**

21 LAURI VALJAKKA,  
22 Plaintiff,  
23 v.  
24 NETFLIX, INC.,  
25 Defendant.

Case No. 4:22-cv-01490-JST

**PLAINTIFF VALJAKKA'S  
MEMORANDUM OF LAW IN  
OPPOSITION TO NETFLIX'S  
MOTION FOR LEAVE TO AMEND  
THE SCHEDULING ORDER ON  
NARROW GROUNDS TO ALLOW  
MINIMAL, TARGETED CUVTA  
DISCOVERY**

Judge: Hon. Jon S. Tigar  
Date: September 21, 2023  
Time: 2:00 p.m.

Crtrm: 6 – 2nd Floor

1 Plaintiff Lauri Valjakka (“Valjakka”) files this memorandum of law in  
 2 opposition to Defendant Netflix, Inc.’s (“Netflix” or “Defendant”) Motion for  
 3 Leave to Amend the Scheduling Order and in support thereof states as follows:

4 Defendant’s motion for leave to amend the scheduling order should be  
 5 denied as the proposed amended answer fails to allege a sufficient factual basis  
 6 from which a cognizable claim for a violation of the CUVTA could be found.  
 7 Defendant’s proposed amended answer fails to allege that any transfer by Valjakka  
 8 “puts beyond [the creditor’s] reach property [the creditor] otherwise would be able  
 9 to subject to the payment of [ ] debt.” *Opperman v. Path, Inc.*, 87 F. Supp. 3d 1018  
 10 (N.D. Cal. 2014), citing *Mehrtash v. Mehrtash*, 93 Cal.App.4th 75, 80, 112  
 11 Cal.Rptr.2d 802 (2001). Without citing to any factual basis, Defendant’s proposed  
 12 amended answer merely recites a bald legal conclusion that because of Valjakka’s  
 13 licenses to CDN Licensing Finland Oy, “Netflix will have no ability to recover its  
 14 cognizable, actionable claim.”<sup>1</sup>

15 The CUVTA covers transactions to a third-party beneficiary, one whom the  
 16 creditor cannot enforce a judgment against for the same claim against the debtor.  
 17 The CUVTA says of the creditor's remedies, "In an action for relief against a  
 18 transfer or obligation under this chapter, a creditor, subject to the limitations in  
 19 Section 3439.08, may obtain: (1) Avoidance of the transfer or obligation to the  
 20 extent necessary to satisfy the creditor's claim." Cal. Civ. Code § 3439.07. This  
 21 protects creditors from debtors who seek to immunize themselves from liability by  
 22 transferring their assets to a third-party before or after a judgment is rendered  
 23 against them, leaving no reachable assets with which they can pay their debt.  
 24 Transfers that do not hinder or delay a creditor’s ability to collect are not fraudulent  
 25 under the CUVTA. "A creditor cannot premise a UFTA claim on a transfer unless  
 26 the “the transfer puts beyond [the creditor's] reach property [the creditor] otherwise  
 27 would be able to subject to the payment of [ ] debt.” " *Opperman v. Path, Inc.*, 87 F.

28  
<sup>1</sup> Dkt. 128-2 p. 34

1 Supp. 3d 1018 (N.D. Cal. 2014), citing *Mehrtash v. Mehrdash*, 93 Cal.App.4th 75,  
2 80, 112 Cal.Rptr.2d 802 (2001).

3 California courts have consistently held that the CUVTA only applies to  
4 transactions between two separate parties. In *Lo v. Lee* the court said, “A fraudulent  
5 conveyance is a transfer by the debtor of property to a **third person** undertaken  
6 with the intent to **prevent a creditor from reaching that interest to satisfy its**  
7 **claim.**” [emphasis added]. *Lo v. Lee*, 24 Cal. App. 5th 1065, 234 Cal. Rptr. 3d 824  
8 (2018), citing *Yaesu Electronics Corp. v. Tamura* 28 Cal.App.4th 8, 13, 33  
9 Cal.Rptr.2d 283. (1994).

10 Defendant however misinterprets the CUVTA and attempts to apply it to a  
11 transfer by Valjakka “from himself to himself”. Defendant cites no California case  
12 wherein the CUVTA is successfully applied to prevent a Defendant from  
13 transferring assets either to itself, or to a corporation wholly owned by itself.

#### 14 CONCLUSION

15 Because actual harm to the creditor is necessary to assert a CUVTA claim,  
16 Defendant has failed to assert any factual basis from which one could infer actual  
17 harm, and for the reasons laid out in Valjakka’s response to Defendant’s motion for  
18 a preliminary injunction filed concurrently, Defendant’s motion for leave to amend  
19 the scheduling order should be denied.

20 Dated: September 4, 2023

Respectfully submitted,

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